



**DEPARTMENT OF THE AIR FORCE
HEADQUARTERS ARNOLD ENGINEERING DEVELOPMENT CENTER (AFMC)
ARNOLD AIR FORCE BASE TENNESSEE**

17 September 2002

MEMORANDUM FOR ALL PROSPECTIVE OFFERORS

FROM: AEDC/PKM

SUBJECT: AEDC Contract Competition - Draft Request for Proposals (DRFP)

1. The Arnold Engineering Development Center (AEDC) Draft Request for Proposals is attached for your review and comments. We want to create a competitive environment and provide the best opportunity for innovative business arrangements and initiatives to maximize the benefits of a single contract structure. We remain strongly committed to seeking the most effective, productive and efficient contract arrangement to fulfill AEDC's requirements.
2. This draft solicitation builds on the key acquisition strategy decisions announced on 17 July 2002. We will award a single contract for the operation, maintenance, information management, and support of AEDC. We intend to award a single twelve-year contract consisting of a one-year base period followed by options and award term period incentives to promote industry's commitment and investment. We're committed to building a strong partnership with industry.
3. As we prepared this draft solicitation, we were guided by our Statement of Objectives (SOO) and have structured our Instructions to Offerors, Section L, and the corresponding Evaluation Factors for Award, Section M, to focus your attention on them. The Performance Work Statement (PWS) is written in a performance-based manner and specifies requirements rather than how the work should be done. As you review the PWS, we emphasize that we are not intending to drive particular solutions or approaches unless we clearly state otherwise. If the PWS contains superfluous specifications or regulations that would prevent you from proposing the most cost effective solution, please let us know. Alternative proposals will be considered as specified in the solicitation.
4. We believe the current approach of directing the use of Government-furnished management information systems is no longer the best strategy for AEDC. Instead, the successful offeror will be required to provide management information as a service, using the software solutions of their choice. The system implemented will be contractor-owned and managed and must satisfy the Government's information requirements (see PWS Section 4.1). We consolidated all AEDC information technology requirements (test and support) into Section 4.1 and strongly encourage a synergistic information technology solution.
5. From FY 97 through FY 01, AEDC launched a Center-wide Reengineering Program to design, test, and implement an integrated set of enterprise-level processes commonly referred to as the Integrated Logistics Support (ILS) and Business Management System (BMS) processes. A suite of commercial off-the-shelf (COTS) software tools that includes Synergen, Metaphase,

Primavera, and PeopleSoft (Financials and HRMS) supports these processes. We ended the Reengineering Program in FY 01. Some expectations were met, but success was limited. Available in the Competition Technical Library is the current enterprise process management system. Rather than directing you to use these Government-furnished processes and supporting software systems, we are leaving process definition and software selection to you. Because of the importance placed on this in the Section M evaluation criteria, we will conduct a special Information Technology Day on 8 October 2002 with follow-on opportunities for "one-on-one" discussions to ensure you understand the current processes and our requirements.

6. We are also promoting commonality and consistency for accomplishing similar work functions by letting you decide where, when, and how best to accomplish those functions. Examples of similar work functions include maintenance, facility investment projects, planning, scheduling, engineering, and information technology and management. We did not write the PWS to drive a particular organizational or management structure.

7. We have traditionally furnished vehicles of all types to our support contractors as Government Furnished Equipment (GFE). From our meetings with industry and other research, it's clear that industry prefers furnishing their own vehicles. This requirement is now part of the PWS.

8. The Hypervelocity Wind Tunnel (Tunnel 9) is a geographically separated unit of AEDC located in White Oak, Silver Spring, MD. The General Services Administration (GSA) owns the buildings and land while the facilities and equipment inside the buildings are Air Force property. GSA provides most site infrastructure support through a Memorandum of Agreement (MOA) with the Air Force basically in the role of a tenant. Prior to the Air Force assuming responsibility for Tunnel 9 from the Navy, the work force was all Government employees. Since assuming responsibility, we have been transitioning to an operations concept similar to that of the rest of AEDC. Eventually, as the Government work force is reduced through attrition, the Contractor will have full responsibility for the operations and maintenance of the facility with the Government remaining in a management role. Since the transition from a Government to Contractor work force is so highly dependent on attrition, we will specify the resource level to propose for Tunnel 9. To learn more about this facility, you may schedule a visit as discussed later in this letter.

9. We plan on implementing a cost savings sharing initiative during this contract, similar to a "value-engineering" process. We're interested in your feedback regarding the language we've proposed at H116 Cost Savings Sharing Initiative.

10. We would also like your ideas regarding the award term incentive. How do you suggest we structure the evaluation process? What level of performance should be required before incentive years are awarded?

11. This draft solicitation incorporates substantially the same Organizational Conflicts of Interest (OCI) clause released as part of our advisory multi-step process (see our 26 July 2002 letter). Please note the high importance placed on this issue by the Government as you review Sections L & M of the DRFP. Ultimately, only companies without OCI issues or those submitting acceptable mitigation plans will be eligible for award.

12. We believe the interaction during the Request for Information (RFI) presentations was extremely useful and productive. Building upon that successful approach, we invite you to visit AEDC between 23 September 2002 and 25 October 2002 to present your draft RFP comments and ask questions. You may schedule your visit by calling Ms. Karen Herget at 931-454-6886. Please let us know immediately if a foreign national will be part of your group so that we may begin the clearance process. You may also FAX your comments to (931) 454-6726. Mailed responses should be sent to USAF/AEDC PKM, ATTN: Mr. John Sutton, 100 Kindel Drive, Suite A-337, Arnold AFB TN 37389-1337. The Government will consider all comments and questions and present a summary of them at an Industry Day to be held later this fall. We will not disclose company proprietary information.

13. We are continuing an acquisition process built on the key principles of open communication and maximum access to information, data, and Government expertise. Thanks to you, we've had excellent industry engagement and look forward to the same during this DRFP review. Our plan and schedule of events follow:

a. Technical Information Exchanges (2nd Round) - Industry opportunity to meet "one-on-one" with designated Government functional experts – 23 September through 25 October 2002

b. Industry Information Technology Day – Government overview of all AEDC IT - 8 October 2002

c. Industry Information Technology Exchanges - "One-on-one" meetings with Government functional experts – 9 through 18 October 2002

d. AEDC Industry Day – Government will brief changes to the DRFP as a result of industry and other feedback – Approximately 19 November 2002

e. Formal RFP Release – Early January 2003

f. Pre-proposal Conference (if required) – Mid-January 2003

We will provide details regarding each event in future letters.

14. In summary, we selected an acquisition strategy that provides an opportunity for offerors to prepare meaningful proposals in a competitive environment. We believe this draft solicitation is a significant step toward meeting our goal of producing the best possible RFP. We look forward to receiving your comments. Please call me at (931) 454-6886 if you have any questions.



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